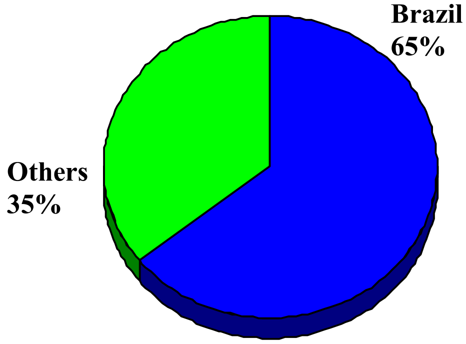
# WHEAT: WORLD MARKETS AND TRADE

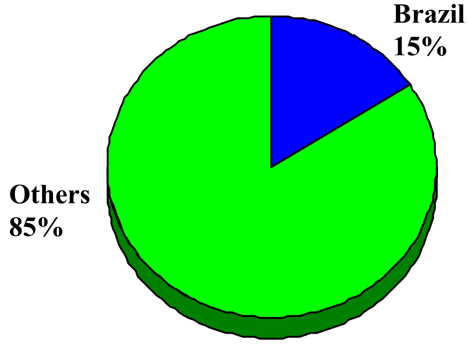
## MONTHLY HIGHLIGHTS:

**Argentine New Crop Sales Robust:** With harvest concluding on a near-record wheat crop, low prices have spurred sales of new crop to nearly 4 million tons, over 1 million tons above this time last year. With purchases by neighboring Brazil greatly reduced so far due to large domestic supplies, much more Argentine wheat will go to Mediterranean and even Asian markets.

**Argentine 03/04 New Crop Sales**
(Jan 10, 2003)



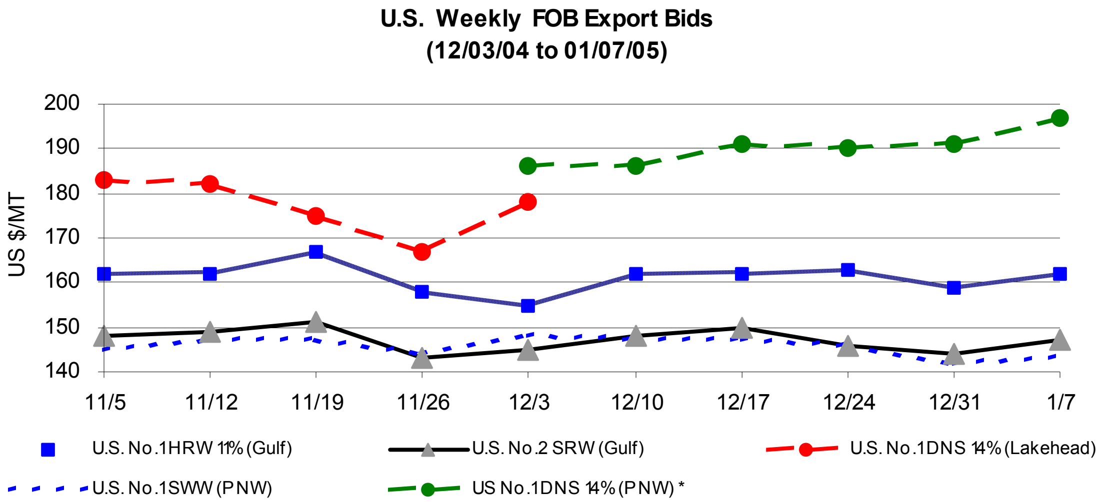

**Argentine 04/05 New Crop Sales**
(Jan 10, 2004)




## PRICES:

**Domestic:** Wheat prices trended upward through December. Spring wheat prices rose on rumors of China switching orders from Canada to the United States and a slim supply of high-quality wheat. Inland logistical problems, large tenders by Jordan and Iraq, and higher than expected exports helped to lead price rebounds for most classes.

For the week ending January 7, average HRW and SRW prices were $4 a ton higher than a month earlier. HRS prices rose $14 a ton, while SWW ended the month down $1 a ton.




*** DNS 14% Prices change to the PNW price after 12/10/04 due to the seasonal closing of the Great Lakes Ports.**

## TRADE CHANGES IN 2004/2005

### Selected Exporters

- **Argentina** up 1.0 million tons to 10.5 million tons due to a near-record crop and very aggressive selling to key North African, Middle Eastern, and even Asian markets.

- **EU-25** down 500,000 tons to 15.0 million as the slow pace of licenses to date reflects the stronger euro and increased Argentine competition in key markets.

### Selected Importers

- **Egypt** up 500,000 tons to 7.5 million due to strong purchases by both GASC and private buyers. GASC has divided purchases among more suppliers this year, with Argentina now a major source, and private mills have returned to buying Russian wheat.